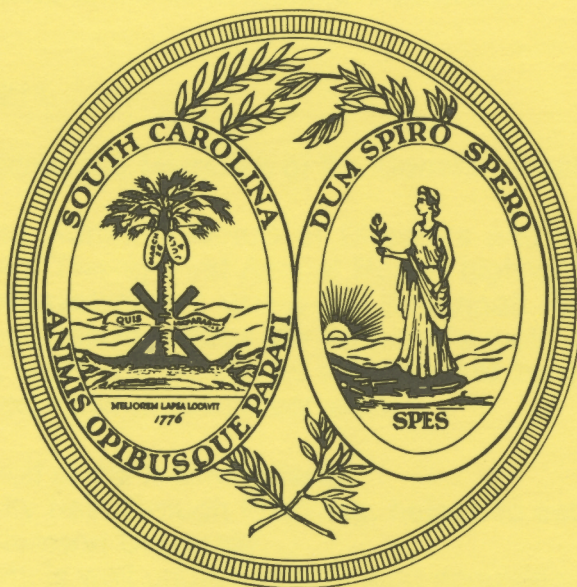


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# SAVANNAH VALLEY AUTHORITY



## ANNUAL REPORT 1990-1991

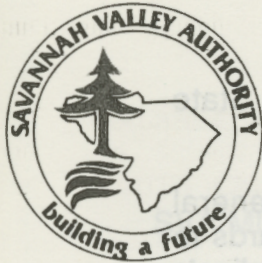
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# SAVANNAH VALLEY AUTHORITY

## State Of South Carolina

P. O. DRAWER K McCORMICK, SC 29835  
PHONE (803) 391-2410 FAX (803) 391-2412

MORRISON J. PARROTT  
EXECUTIVE DIRECTOR

October 15, 1991

The Honorable Carroll A. Campbell, Governor  
The Honorable Members of the S. C. General Assembly  
State House  
P. O. Box 11369  
Columbia, S. C. 29211

Dear Governor Campbell and Members of the General Assembly:

The Savannah Valley Authority Board of Directors and staff are pleased to present you with SVA's Twenty-First Annual Report highlighting the cooperative efforts for economic development within the Savannah River Basin of South Carolina. This Annual Report utilizes the Authority's multi-year Business Plan, adopted in 1986 and revised annually, as the standard by which to analyze the Authority's body of economic development work.

SVA is extremely proud of the following facts:

- \* The Authority has, through financing, helped to establish a technology incubator at Clemson University.
- \* The Authority is well underway with land acquisition and planning for a large mixed use development near Calhoun Falls on Lake Russell.
- \* The Authority has been a major force in planning for the provision of office and engineering space to a potential major employer in Aiken County.
- \* Savannah Lakes Village is into the third year of development on Lake Thurmond in McCormick County.
- \* The state's first multi-county industrial park in Hampton County is a reality.

However, these land development projects are only a portion of SVA's activities. This Annual Report is just a reminder that the Authority is a "full service", project-oriented economic development agency. Whether establishing a revolving loan fund, creating a regional promotions program, supporting infrastructure development in local communities, or acting as a regional industrial recruiter, it is the focus of the Authority to create a positive economic effect throughout the Region and the State with the activities it undertakes. The Authority is aggressively pursuing a wide range of activities designed to support land development, environmental protection, and the general welfare.

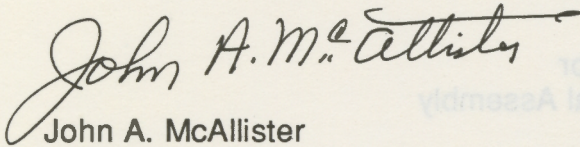
The Authority extends its appreciation to the Governor's Office, the General Assembly, and its sister agencies for the overwhelming support all have



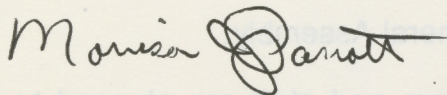
provided to allow the Authority to undertake its unique mission in State government.

The Authority invites questions from the Governor's Office, the General Assembly, other State agencies, and the general public and looks forwards to sharing additional information about this unique element of South Carolina's rural economic development policy.

Sincerely,



John A. McAllister  
Chairman



Morrison J. Parrott  
Executive Director



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## SAVANNAH VALLEY AUTHORITY MISSION STATEMENT

The Savannah Valley Authority of South Carolina (SVA) is a State economic development agency responsible for improving the economic conditions in the Savannah River Basin of South Carolina, in accordance with the agency's statutory authority, South Carolina Code Chapter 9 of Title 13, as amended. This involves development planning and implementing those plans both directly through the activities of the Authority and in conjunction with local governments and other State and Federal agencies.

As a means of accomplishing this broad legislative mandate, SVA is a project oriented agency rather than program oriented. Its activities are designed to create a strong positive economic ripple effect throughout the Savannah River Basin Region and State of South Carolina. A "full service" development agency, SVA undertakes not only land development projects but also those activities necessary to support land development and related projects.

The Savannah Valley Authority occupies a nearly unique role in state government but constitutes an important element of South Carolina's rural economic development policy.

### SERVICE AREA

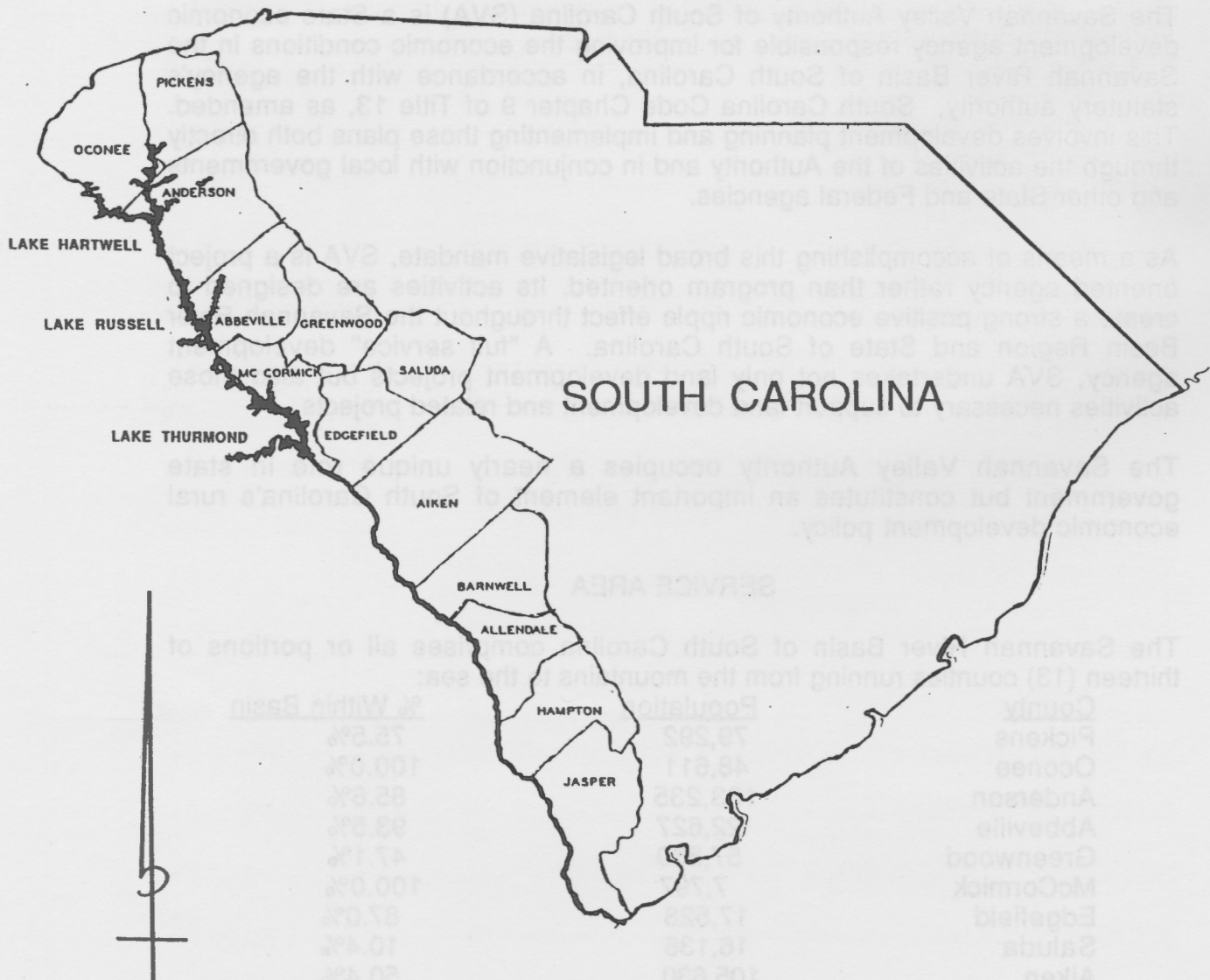
The Savannah River Basin of South Carolina comprises all or portions of thirteen (13) counties running from the mountains to the sea:

<u>County</u>	<u>Population</u>	<u>% Within Basin</u>
Pickens	79,292	75.5%
Oconee	48,611	100.0%
Anderson	133,235	85.6%
Abbeville	22,627	93.5%
Greenwood	57,860	47.1%
McCormick	7,797	100.0%
Edgefield	17,528	87.0%
Saluda	16,136	10.4%
Aiken	105,630	50.4%
Barnwell	19,868	41.8%
Allendale	10,700	51.1%
Hampton	18,159	25.0%
Jasper	14,504	27.5%
TOTAL	551,947	

The 13 counties within the service area represent 28% of the counties in the State, 18% of the State population, and 25% of the State geographic area. The Basin comprises 25 of 124 House seats (20.2%) and 11 of 46 Senate seats (23.9%) in the General Assembly.



## SAVANNAH VALLEY AUTHORITY SERVICE AREA



JURISDICTION  
OF THE  
SAVANNAH VALLEY AUTHORITY  
IS THE 13 COUNTIES OF THE  
SAVANNAH RIVER DRAINAGE BASIN



SAVANNAH VALLEY AUTHORITY  
BOARD OF DIRECTORS

John A. McAllister, Chairman  
Farmer and Businessman  
McCormick County Member  
Mt. Carmel, South Carolina

S. M. Beaty, Secretary  
Farmer and Businessman  
Abbeville County Member  
Abbeville, South Carolina

S. F. Sherard, Jr.  
Agro-Business  
and Real Estate Broker  
Abbeville County Member  
Calhoun Falls, South Carolina

William S. Simpson, Jr.  
Postmaster (Retired)  
Anderson County Member  
Iva, South Carolina

R. Eugene Pruitt, Jr., Vice-Chairman  
Attorney  
Member-at-Large  
Abbeville, South Carolina

John R. West  
Newspaper Editor  
Member-at-Large  
Abbeville, South Carolina

Rebecca Pennell Chamblee  
School Administrator  
Member-at-Large  
Anderson, South Carolina

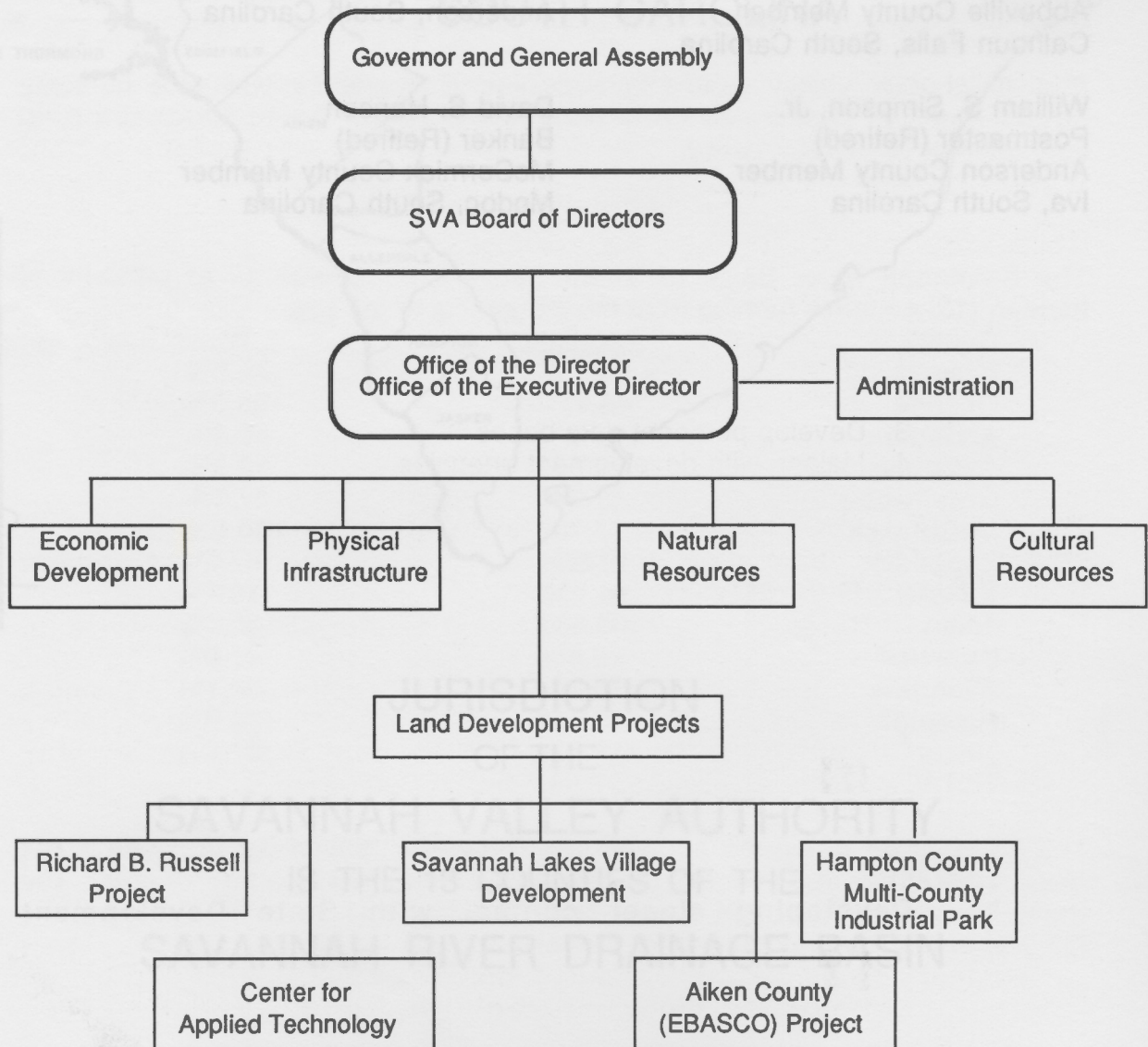
David S. Hanson  
Banker (Retired)  
McCormick County Member  
Modoc, South Carolina



## SAVANNAH VALLEY AUTHORITY STAFF

Morrison J. Parrott-----	Executive Director
William F. McLaughlin-----	Deputy Director
Lee W. Haines, P.E.-----	Chief Engineer
Fred E. Catchings-----	Economic Development Director
John C. Blythe, Jr.-----	Cultural Resources Director
Sallie W. Rice-----	Comptroller
Kathy S. Hollingsworth-----	Public Information Coordinator
Pamela L. Hudson-----	Administrative Assistant

### ORGANIZATIONAL CHART





## SAVANNAH VALLEY AUTHORITY MULTI-YEAR BUSINESS PLAN ANALYSIS

Each annual work program undertaken by the Authority is dependent upon and derived from the SVA's multi-year Business Plan, adopted in 1986. The Plan is reviewed and revised annually and comprises five (5) major goals and associated objectives and work tasks:

- \* DIRECT ECONOMIC GROWTH ACTIVITIES
- \* EXPANDING PHYSICAL INFRASTRUCTURE
- \* DEVELOPING & PRESERVING NATURAL RESOURCES
- \* ENCOURAGING CULTURAL ACTIVITIES & INSTITUTIONS
- \* GENERATING SPECIAL PROJECTS IN SERVICE AREA

Accomplishing the Business Plan is a multi-year process, but the following analysis provides a better understanding of how the Authority is approaching its mission on a year-to-year basis.

A checklist of the objectives and work tasks and the extent to which the Authority has addressed those elements of the Plan follows. The descriptions of the efforts undertaken by the Authority to meet those plan elements are in **bold typeface**.

### DIRECT ECONOMIC GROWTH ACTIVITIES

- I. Capital Formation and Recruitment
  - A. Industrial Recruitment
    - 1. Identify industrial sites
    - 2. Identify industrial prospects
    - 3. Develop pertinent data bases
    - 4. Liaison with development agencies

These work tasks have been undertaken in association with and in support of the local development boards, the State Development Board, and utilities serving the area:

- \* Initiated Freshwater Coast<sup>TM</sup> industrial promotional brochure.
- \* Provided financial and technical support for McCormick Main Street Program.
- \* Coordinating with Upper Savannah COG and various state and local agencies to establish computerized G.I.S. program for the area.
- \* Serving as McCormick County's business development contact.
- \* Developing closer contact with State Development Board, Jobs-Economic Development Authority (JEDA), local banks, and local development boards
- \* Established and managing the Savannah Lakes Regional Loan Fund (SLRLF).



**B. Capital Formation**

1. Private venture capital fund
2. Solicitation of public sector funds

**SVA established the \$1,020,000 Savannah Lakes Regional Loan Fund (SLRLF) with private funds obtained as part of the Savannah Lakes Village negotiations with Cooper Communities, Inc. The decision to administer the Fund as a joint effort with JEDA and to include the Upper Savannah COG representative on the Loan Committee also focused more investment attention on the Savannah River Basin. Both JEDA and Upper Savannah COG have substantial loan funds that operate in the Savannah Lakes Regional Loan Fund service area. Capitalizing the loan fund with private funds eliminated the need for initial public sector financing to meet this need.**

**C. Investor Identification**

1. Compilation of venture capitalists
2. Investor education programs

- \* Working with JEDA and Upper Savannah Loan Fund to identify private investors and to solicit those investments with the incentives provided by the SLRLF.**
- \* Generating editorial coverage in local, regional, and national press.**
- \* Serving as McCormick County's business development contact.**
- \* Providing financial support for Abbeville County's Operation Forward.**

**II. Encouraging Service Businesses**

**A. Market Analysis**

1. Market and provider identification
2. Market analysis and feasibility
3. Information transfer

- \* Conducting service business feasibility analyses as part of business plan for Lake Russell Project.**
- \* Maintaining liaison with local and State development boards.**

**B. Business Incubators**

- \* Directly financed the Clemson Center for Applied Technology (C.A.T).**



**C. Capital Availability**

1. Technical services
2. Financial assistance
3. Identification of potential investors

\* **Established and staffed Savannah Lakes Regional Loan Fund.**

\* **Provided first loan from SLRLF.**

\* **Modified SVA legislation to allow use of \$20 million internal State "line of credit" for all lawful development purposes of SVA.**

**III. Encouraging Manufacturing Businesses**

\* **Served as fiscal agent for Lowcountry Regional Industrial Park, the State's first multi-county industrial park.**

\* **Directly financed the Clemson Center for Applied Technology (C.A.T).**

\* **Providing funding and coordination of forest products manufacturing study with Clemson University, Abbeville County, and McCormick County.**

\* **Proposed new legislation to support economic development in rural areas--tax increment financing for counties, other-than-annual tax collection for special tax districts.**

\* **Providing financial support for Abbeville County's Operation Forward.**

**IV. Encouraging Small Intensive Agricultural Practice**

\* **Providing funding and coordination for forest products manufacturing study with Clemson University, Abbeville County, and McCormick County.**

\* **Provided technical assistance to Clemson Extension Service, John DeLaHowe School, and Clemson University related to Private Enterprise Program at DeLaHowe.**

\* **Coordinated with Clemson Extension Service and 96 RC&D Woodland Study Committee regarding "short wood" industry.**

**EXPANDING PHYSICAL INFRASTRUCTURE**

**I. Transportation**

**A. Expansion of Highway Network**

1. Highway 72/US 178 complex
2. Highway 81/28 complex
3. US Highway 25, US 221/US 378 complex

**B. Commercial Airline Service**



- \* Committee involvement on all organizations related to expansion of these and associated highways.
- \* Providing research and recommendations for Legislative and Congressional delegations.
- \* Providing leadership in Savannah River Scenic Highway development and promotion.

## II. Utilities

- A. Needs Assessment
- B. Technical Assistance

- \* Financed engineering, coordination, and recommendations concerning Horse Creek Wastewater Interceptor Line.
- \* Provided financial and technical assistance to Calhoun Falls to upgrade water system.
- \* Financed engineering for McCormick NPDES permit.
- \* Financed engineering for McCormick CPW sludge disposal system.
- \* Financing and coordinating engineering studies for McCormick CPW sewer plant upgrade.
- \* Conducted and financed sewer user rate studies for McCormick CPW and County.
- \* Developed rate analysis models for water/sewer systems for McCormick County and Calhoun Falls.
- \* Providing assistance for Sandy Branch Volunteer Fire Department.
- \* Undertook responsibilities for regional water and wastewater planning.
- \* Serving as lead agency for municipal water supply activities in Savannah River Basin.
- \* Funding for SCWRC operational model for Savannah River and lakes.
- \* Attempting to secure municipal water supply reservations in lakes.

## DEVELOPING & PRESERVING NATURAL RESOURCES

Inventory the stream courses, lakes, wetlands, land uses, ownership patterns, soil types, geologic substructure, mineral assets, wildlife, and natural history.

- \* Financing the majority of the costs associated with the development and implementation of the computerized multi-objective stream-flow model for the Savannah River basin being conducted by the South Carolina Water Resources Commission.



\* Conducting natural resources inventory as specific projects are undertaken and geographic-based information is developed. A geographic information system (G.I.S.) program for the Region is being developed by Upper Savannah COG and SVA that will incorporate all the information identified here. Additionally, SVA has intensified its coordination with the various State agencies related to natural resources.

\* Requiring that all studies initiated by or funded by SVA, including those related to the proposed Lake Russell Project, are adaptable to the Regional G.I.S. being developed.

\* Initiated Savannah River Basin Alliance to coordinate river-related planning with all councils of governments and local governments in South Carolina and Georgia bordering the Savannah River.

### ENCOURAGING CULTURAL ACTIVITIES AND INSTITUTIONS

#### I. Educational

#### II. Libraries

\* The special projects of SLV and Lake Russell will provide excess tax revenues to fund schools and cultural activities.

\* SVA has assumed a support role.

#### III. Arts

#### IV. Festivals

\* Publishing **ENCORE** quarterly.

\* Providing promotional grants program.

\* Initiated continuing to work with Freshwater Coast<sup>TM</sup> Coalition.

\* Maintaining overall Regional public relations and promotions campaign.

### GENERATING SPECIAL PROJECTS

The Authority should be flexible enough to accommodate specific projects which arise from the various work programs or which arise without regard to the various work programs. Further, the Authority will, from time to time, institute special projects on its own.

\* Initiated Savannah Lakes Village development in McCormick County.

\* Overseeing public infrastructure development at Savannah Lakes Village.



- \* Developing mixed-use development in Abbeville County: the Lake Russell Project.
- \* Financed State's first multi-county industrial park: the Lowcountry Regional Industrial Park, located in Hampton County.
- \* Secured financing to construct major office/engineering building in Aiken County as means of attracting new jobs related to Savannah River Site and the associated new residents.
- \* Financed the construction of the Clemson Center for Applied Technology.
- \* Financed engineering for Horse Creek Wastewater Interceptor Line.
- \* Providing financial support of S. C. Water Resources Commission operational model for the Savannah River Basin.
- \* Assumed Regional water and wastewater planning responsibilities.
- \* Providing financial and technical assistance for water and sewer infrastructure development projects.



## SAVANNAH VALLEY AUTHORITY SUMMARY OF SPECIAL PROJECTS

### SAVANNAH LAKES VILLAGE

**INTRODUCTION**--The Savannah Valley Authority, in close cooperation with the local governments of McCormick County, initiated a recreation-oriented, retirement community in late 1988 on approximately 4,000 acres adjacent to J. Strom Thurmond Lake near the intersection of U. S. Highway 378 and S. C. Road 7. The Savannah Lakes Village development capitalizes on McCormick County's chief marketable resource and has already resulted in a substantial increase in county tax revenues, employment opportunities, available capital, housing stock, public infrastructure, and overall economic development opportunities.

Savannah Lakes Village was undertaken as a joint public-private partnership with a private development company, Cooper Communities, Inc., of Bentonville, Arkansas. The master plan was completed in August 1988, and the actual physical development began in December 1988, at which time Cooper purchased the property from the Savannah Valley Authority. Cooper Communities also purchased approximately 800 acres of private property to round out the development. The sales phase for the projected 5,100 single-family lots began in 1989 and is expected to extend through 1997. The actual build-out schedule for homes cannot be accurately estimated at this time.

**PROJECT HISTORY**--The Authority has a wide mandate to increase overall development opportunities in the Savannah River Basin of South Carolina. With the support of the S. C. General Assembly, Governor's Office, the S. C. Congressional delegation, and local governments, the Authority formulated an overall development plan that specified the release of a significant amount of property from the federal government on J. Strom Thurmond Lake for the development of a recreation oriented community.

As a result of the plan and the overall support for such a development, the U. S. Army Corps of Engineers and General Services Administration released the property from federal control and sold it to the Authority. On July 10, 1986, the Authority purchased 3,159 acres of undeveloped timberland in the vicinity of J. Strom Thurmond Lake in McCormick County, S. C., from the U. S. General Services Administration for the purpose previously described.

Simultaneous with the purchase of the property, the Authority advertised for development companies to undertake the entire project in accordance with the spirit of the development plan and selected Cooper Communities, Inc. Cooper, in business since 1954, has developed three major retirement communities in Arkansas totalling 77,000 acres and is in the fifth year of the development of Tellico Village, a 4,500-acre community near Knoxville, Tennessee.



**PROJECT SUMMARY**--The master plan for Savannah Lakes Village, specifies the following elements:

- \*5,100- 6,300 single family lots
- \*Townhomes/condos/patio homes
- \*Championship golf course
- \*Club house
- \*80-room lodge
- \*Restaurant
- \*Public marina
- \*Neighborhood boat docks
- \*Tennis facilities
- \*Support utilities such as roads, water and sewer facilities, electric telephone, and cable T.V.
- \*Commercial/office space

The County-owned nursing home, opened for business in February 1989, has always been considered an integral part of the overall development by McCormick County, the Authority, and Cooper Communities. Cooper authorized SVA to provide 7 acres for the nursing home and integrated its design into the master plan. Cooper has also reserved additional acreage for an overall health care facility.

**FIRST YEAR ACHIEVEMENTS**--Savannah Lakes Village observed its first anniversary on December 12, 1989. Under development by Cooper Communities, Inc., this planned, lake-oriented community was carefully carved out of 4,000 acres of woodland adjacent to Lake Thurmond in McCormick County, South Carolina. In its first year, Cooper Communities accomplished the following at Savannah Lakes Village:

- \* Developed 976 single-family homesites
- \* Constructed 14.2 miles of public roads, water, and sewer lines
- \* Achieved 75% completion on an 80-room lodge
- \* Achieved 55% completion on the restaurant and office complex
- \* Completed 65% of the work on a 7,027 yard championship golf course
- \* Constructed 9 model single-family homes using local and regional builders
- \* Achieved 80% completion in constructing 20 townhouse units
- \* Constructed and opened the all-purpose service station/store
- \* Sold approximately 450 single-family homesites at the Village

These initial efforts created more than 200 new jobs in the Region; cut the McCormick unemployment rate in half; and added over \$21 million in taxable value on property that has not been on the tax rolls since the late 1940s. Overall, the private investment during the first year of the project was \$21.3 million.

As a direct result of the original negotiations between Savannah Valley Authority (SVA) and Cooper Communities, SVA was able to established the \$1 million Savannah Lakes Regional Loan Fund (SLRLF) without the use of



appropriated State funds. SLRLF was capitalized from an economic development impact fee provided by Cooper Communities to encourage the creation of new businesses and the expansion of existing businesses within the area directly impacted by the Savannah Lakes Village. This fund, jointly administered by SVA and Jobs-Economic Development Authority through the creation of a new not-for-profit corporation, will be used in Abbeville, McCormick, and portions of Anderson Counties, thereby assisting the economic development efforts of the entire Savannah Lakes Region of S.C.

**PROJECT TO-DATE--FIRST THREE SEASONS--**The development of Savannah Lakes Village has been thus far evidenced by the accomplishment of the following items of work during the development seasons of 1989, 1990, and 1991:

- \*Developed 2,300 new homesites with necessary utilities and all-weather street access
- \*Sold approximately 1,400 new homesites
- \*Constructed golf course, lodge, restaurant, main office, golf clubhouse, village store, four neighborhood boat docks
- \*Constructed 20 townhouse units
- \*Constructed approximately 30 single family residences

**FOURTH SEASON ACCOMPLISHMENTS--**Based on the most recent projections, it is anticipated that Cooper Communities will undertake the following level of development during 1992, the fourth year of the Savannah Lakes Village Project:

- \* Complete paving on 1991 road construction
- \* Develop 288 new homesites with necessary utilities
- \* Construct approximately 5 miles of roads
- \* Construct approximately 40 single-family residences
- \* Construct approximately 10 townhouse units
- \* Initiate construction on the public marina facility

**DEVELOPMENT PERIOD--**A conservative estimate of the period of time required to sell all the homesites at Savannah Lakes Village is 8 to 10 years. The build-out period, however, is analogous to that of any new town. Local and national conditions beyond the control of SVA or Cooper Communities will determine construction schedules. Nevertheless, using trends in other of the Cooper Communities projects, we are anticipating that by the end of this century -- only 10 years hence -- Savannah Lakes Village will contain approximately 1,000 new residences and additional amenities bringing the value of the project to about \$280 million. The tax revenue on the project is estimated to be about \$2.6 million per year at that time.

**BENEFITS TO SOUTH CAROLINA--**This public-private partnership shows every indication of meeting the State objectives of increased employment, increased investment, and increased tax revenue and in meeting Cooper Communities



objectives of profitability. The other logical question is whether the State support for a project of this type makes financial sense for the State itself. The Authority contends that such an investment to stimulate development demonstrates good financial policy as well as good social policy. The overall investment by the State for this particular project has been approximately \$9.3 million:

- \$4.5 million - purchase of land
- \$3.3 million - aid to infrastructure development
- \$1.5 million - development costs related to planning and land acquisition

The State has obligated itself to provide up to \$20 million as a loan to SVA from the Insurance Reserve Fund to finance the development of public roads, water, and sewer infrastructure serving Savannah Lakes Village. This loan is being paid back by revenues from a special tax district comprising Savannah Lakes Village and is resulting in at least an 8% return for the State. This is comparable to any other investment the State might have made with those funds.

Within the first three years of the initiation of the Savannah Lakes Village Project, the State's investment has yielded \$56 million in new investment in the State:

- \* \$1,675,514 initial purchase value of zero coupon bond that will yield 4.7 million to the State at the end of 10 years
- \* \$1.2 million contribution by Cooper Communities (being used for the Savannah Lakes Regional Loan Fund and development cost for the Lake Russell Project)
- \* \$3 million in golf course and clubhouse
- \* \$5 million in lodge construction
- \* \$35 million in taxable homesites
- \* \$2 million in townhouse construction
- \* \$4 million in single-family home construction
- \* \$7 million in public infrastructure construction

Conservative estimates indicate that the State will more than break even on its total investment in the first ten years of this project. In addition, during this same ten-year period Savannah Lakes Village will generate an investment of about \$280 million and about \$15 million in additional property taxes for McCormick County.

After the first ten years of the project, the State will have recaptured all of its original investment and will be receiving an estimated \$1 to \$1.5 million annually (in today's dollars) in the form of new income and sales tax. During this same time period, McCormick County is expected to receive tax revenues in excess of \$1.5 million annually as new homes continue to be built in the development. This last estimate does not take into account the possibility of local option sales tax.



Economic analysis of the Savannah Lakes Village Project indicates that, during the next fifteen years, approximately 3,400 jobs will be created in the form of direct and indirect employment opportunities. It should also be noted that these employment projections have not been considered in any of the previous economic estimates.

Another spin off benefit of the Savannah Lakes Village Project was the creation of the Savannah Lakes Regional Loan Fund (SLRLF), which is discussed in greater detail later in this report. To date, the SLRLF has provided assistance to businesses that will create 45 jobs and leverage over \$1,330,000 of other investment in the region without the use of additional state expenditures.

In addition to the long-term return to both South Carolina and McCormick County, the \$1 million Savannah Lakes Regional Loan Fund will create business opportunities in Abbeville, McCormick, and portions of Anderson Counties for years to come.

Through this investment in McCormick County, the State will not only recover more than its original investment, but also provide McCormick County with the means to help itself. To emphasize this point, consider that in the past year the establishment of a non-polluting industry on land that had never before been on the tax rolls. The creation of a project of this size in comparison to the economic situation of McCormick County will begin a cycle of events that will provide a continuing positive impact on the County well into the next century.

With over 40 percent of the county's labor force currently employed in some form of manufacturing, this project has helped to diversify the local economy and ease its dependence on the manufacturing sector. This project will also make the County far more competitive in future economic development efforts by helping them to overcome many of the problems they have faced in the past. Consider that this project and its spin-offs will provide the resources to among other things:

- \* Improve their education system and, thereby, provide a better educated and more trainable labor force;
- \* Improve the local infrastructure;
- \* Create a Regional Loan Fund to provide businesses incentives;
- \* Help to reverse the trend of population loss -- McCormick County has lost population every census since the County was formed; and
- \* Improve the overall quality of life.

It bears mentioning that all of this can be accomplished with an investment which provides a reasonable return to the State rather than a give-away program that may only continue to build a welfare type economy in an area.



## LAKE RUSSELL PROJECT

SVA's Lake Russell Project is one which will parallel the scope and size of Savannah Lakes Village. The project site is located between Highway 81 and Lake Russell, bounded on the north by Calhoun Falls State Park and the south by the road to Lake Russell Dam overlook. The exact form of the project, however, has yet to be established; the environmental carrying capacity of the property and the realistic market will determine exactly how the property is used.

A number of years ago, Savannah Valley Authority Board of Directors made the commitment to pursue controlled and limited development on Lake Russell. Based on preliminary planning and design work completed by The Piedmont Group, SVA identified suitable property for a mixed-use development and is now in the final stages of acquiring that property. During FY 89-90, SVA engaged the services of Edward Pinckney and Associates of Charleston and Hilton Head, South Carolina, to analyze the environmental considerations, the potential market for a mixed-use development, and the possible land-use configurations.

In December 1990, SVA purchased approximately 850 acres from Crescent Resources, Inc., the timber and development subsidiary of Duke Power. SVA is also pursuing the purchase of approximately 600 acres from several individual property owners and the long-term lease of approximately 800 acres of the Corps of Engineers property. The Corps of Engineers property is currently under lease to the S.C. Department of Parks, Recreation and Tourism; and the State is pursuing the assignment of that portion of the lease to SVA.

Edward Pinckney/Associates has spent more than one year analyzing the site of SVA's proposed development on Lake Richard B. Russell. This site encompasses the land purchased from Crescent Resources, additional property SVA will be purchasing from Crescent, and the land to be leased from the US Army Corps of Engineers. The Pinckney firm has studied the site for soil types, vegetation and tree species, wildlife habitat and archaeological data.

The Pinckney study recommends appropriate land uses, based on the site characteristics. It lists the several options most suitable to each portion of the overall site, and suggests the many ways in which the several "neighborhoods" might best be tied together to form a cohesive whole. The report does not come to a specific conclusion as to each particular area, nor does it make a detailed recommendation as to how the project should be developed. Rather, it provides a flexible framework for developing the overall property in a manner most compatible with the Calhoun Falls area of South Carolina, and it suggests the "highest and best" utilization of the various neighborhoods that are individually identified.

The Pinckney report will be used as just one of the many tools available to SVA for development of the site. It will also be used to develop "Best Management Practices" for the specific use to which each site will ultimately be



put, and to assure that each parcel is improved in an environmentally-sensitive manner. Using the report in this fashion, SVA will next solicit interest from qualified land and/or facility developers. Such developers, in turn, will be motivated by the dictates of the marketplace, so that much research remains to be done to determine specific projects feasible for the site. Therefore, it may be several months before any specific undertaking is identified for the Lake Russell development project.

The Fontaine Company of Columbia, South Carolina has also been retained by SVA to make recommendations concerning the Lake Russell development site. The Fontaine Company's responsibilities have included the preparation of financial data for the purpose of determining what approach and activity schedule will maximize the potential returns to the State of South Carolina.

Foremost in the minds of SVA's Board of Directors were concerns as to whether or not to pursue a single-use, single-developer approach such as that which had proven so successful in McCormick County, SC with the Savannah Lakes Village project. The alternative was to allow the site to be developed by a number of developers, each of whom would pursue their own particular project. Based on its projections, The Fontaine Company was able to demonstrate that the mixed-use approach of using several different developers for an assortment of uses and facilities would result in both more immediate and higher cash flows over the estimated life of the project. Based on this analysis, the SVA Board of Directors elected to develop the Lake Russell site as a mixed-use, multiple-developer project.

The rationale for such a project is quite clear. Lake Russell (a Corps of Engineers lake bordering Abbeville and Anderson counties, S.C.) constitutes a major resource for the State and the Region. By fostering appropriate controlled and limited development, the Authority has the opportunity to reverse downward trends in a faltering local and Regional economy. In addition, it will provide increased public access to the Lake Russell resource.

SVA has received support, encouragement, and direction from the highest levels of the U.S. Army Corps of Engineers and the S.C. Congressional delegation. In an effort to be true to the trust implied by that support, SVA has undertaken a wide-ranging analysis of the property, the lake, and local needs to determine the most appropriate use of the property. This task is complicated somewhat by the fact that Savannah Lakes Village (25 miles to the south on Lake Thurmond) is in its initial developing stage. The Authority has factored the market demands for Savannah Lakes Village into its determination for the Lake Russell project.

Directly related to the plans for the Lake Russell Project is the need for enhanced water and sewer service. The Authority is providing financial and technical assistance to Calhoun Falls, Abbeville County, and a collection of local governments within the Region to ensure that adequate water and sewer facilities are available. This need extends beyond the Lake Russell project, however. If the Region is to develop in a reasonable and environmentally



sensitive manner, adequate public utilities are a must. Therefore, any plans for the Lake Russell development and related development must be accompanied by adequate public infrastructure. The Authority is dedicated to assisting local and regional governments in planning for that infrastructure and in finding a reasonable way to pay for it.

The success of the Lake Russell project (and indeed any project of the Authority) will be measured in terms of how well the project meets its primary goals of job creation, development of wealth, and increase in tax base but also the secondary goals of spin-off benefits. The only way to enhance the opportunity for spin-off benefits is to recognize that the primary project is part of an overall development and conservation effort. These principals have guided and are guiding the Savannah Lakes Village development and serve as the hallmark for the Lake Russell project.

### LOWCOUNTRY REGIONAL INDUSTRIAL PARK

The Lowcountry Regional Industrial Park is 1,000 acres of prime industrial property strategically located near I-95 on S. C. Highway 68 in Hampton County. The Park provides its tenants with numerous locational factors which the Park provides its tenants such as proximity to three deep-water ports, two Interstate highways and a large regional labor pool. The Park's official "multi-county" status makes a company locating in the park eligible for a \$1,500/year job tax credit for every employee for five years. This is the largest tax credit available in South Carolina. The five counties of Allendale, Beaufort, Colleton, Hampton, and Jasper are participants in the multi-county park.

Phase I infrastructure will be completed by November 1991 and will include water, sewer, entrance road and primary road into the Park. Sewer service is provided by a 8" force main to the Town of Yemassee's system. Electricity, gas and telephone services are available to the site.

The economic directors of the five counties formed the Lower Carolina Development Corporation (LCDC), a non-profit organization to help promote and market the Park. The LCDC is building a speculative building on a site donated to it and will market that speculative building to further enhance the development of the Park and region.

Prospect activity has been moderate to active and now that the infrastructure is completed, it is anticipated that the Park's marketability will be substantially enhanced.

Using the most conservative forecast for development of the Park, a tremendous beneficial economic impact is projected. The Park should result in the creation of 1,831 permanent jobs within fifteen years, 1,537 permanent jobs within ten years. The Park should also result in an earnings increase of \$297.7 million over the fifteen-year period.



Additionally, the entire project has projected tax benefits over its build-out period as follows:

Property Tax  
\$28,877,459

Sales Tax  
\$2,866,644

Income Tax  
\$3,753,142

#### EBASCO SERVICES, INC. OFFICE BUILDING

As fiscal year 1989-90 drew to a close, SVA had entered into discussions with Westinghouse SRS concerning its plans to develop several research parks in and adjacent to the Basin. SVA was attempting to determine an appropriate role in support of the efforts of Westinghouse SRS, the Central Savannah River Basin Research Authority (CS3RA), Aiken County, the Economic Development Partnership of Aiken and Edgefield Counties, and others. The stated mission of CS3RA was to create and operate a large-scale research park adjacent to the Savannah River Site taking advantage of the technology created at SRS. The intent was to create a major private sector economic development activity using "technology transfer," a concept that was and is a stated goal of the federal government.

SVA was approached by CS3RA to help fund the development of the research park. The idea appeared solid, and the SVA staff went about the business of evaluating the proposal to determine if it would be a prudent use of State resources. After repeated attempts to get a clear picture of the Research Park's feasibility and overall financial support, it became apparent that the State and the Aiken Electric Cooperative would be the only financial backers and that neither would have any control over the direction of the Park's development. This lack of accountability for public funds and the fact that Westinghouse was not participating financially or locating any of its office buildings in the proposed park prompted SVA to cease considering any direct involvement in the creation of the research park.

In early 1991, SVA learned that efforts to secure private financing for office/engineering space for EBASCO Services, Inc., had been unsuccessful and that EBASCO would have to consider locating all its employees in existing space in Augusta, Ga., unless something could be arranged. The location of EBASCO in Georgia would mean the loss of new jobs and residents and the related economic benefits. The Governor's office began discussing a more direct role for SVA in solving this problem at that time. CS3RA recognized that the location of the EBASCO building in the research park could create an immediate anchor tenant for the park, help attract other tenants, and establish the justification for the infrastructure needed to support the park. SVA was willing to cooperate in this approach because it could help to leverage the actual construction of the park and, because of a pending agreement with the Aiken Electric Cooperative, it could mean lower total development costs for the EBASCO building.

As talks began in earnest about the location and construction of the building, it became apparent to SVA and other participants that the selected research park



site had serious deficiencies and that little could be done to ensure that the State's potential investment in the EBASCO building would be protected and would be marketable if EBASCO vacated the building for any reason.

Late in Spring 1991, when it was obvious that the EBASCO-Westinghouse contract was not long enough and the budgeted lease rate was not high enough to attract private sector financing several avenues were explored to secure public sector financing for SVA to do the job, and the bond bill route was chosen. It also became apparent that the proposed research park site was not going to be available in time to meet the projected occupancy date of early 1992 for EBASCO. At this point, the process stalled, but it appeared that it would get back on track if a special session of the General Assembly is called and if the pending bond bill is passed which contains \$4.5 million for SVA to construct the EBASCO building.

#### CLEMSON CENTER FOR APPLIED TECHNOLOGY (C. A. T.)

Clemson University, through its Emerging Technologies Center, undertook the planning of the Center for Applied Technology (C. A. T.) as a way of maximizing the transfer of technology to create new jobs and businesses. This incubator will help South Carolina "grow its own" industries and differs from the SRS approach by embracing a wider array of entrepreneurial opportunities.

SVA provided direct financing for the project late in the fiscal year, with the anticipation that it would continue that financing for another three years. The construction was to be completed before the end of calendar year 1991.



## SAVANNAH VALLEY AUTHORITY SUMMARY OF SUPPORT PROJECTS & ACTIVITIES

### INFRASTRUCTURE DEVELOPMENT

The Savannah Valley Authority, by statute and by agreement with five counties in West Central South Carolina, serves as a regional water and sewer authority within that portion of the Savannah River Basin. A primary part of its activity involves coordinating the plans and activities of the various water and sewer providers to ensure that a Regional network of water and sewer facilities is provided in a timely fashion.

In conjunction with other local and Regional agencies, SVA developed a proposal regarding a sewer trunk line to serve Abbeville, McCormick, Edgefield, and Aiken counties. This proposal involves transporting sewage to the Horse Creek Wastewater Treatment Plant in Aiken County as a means of protecting the sensitive environment in the Basin and opening a 70-mile development corridor through an area lacking development opportunities. The proposal also identifies two alternatives that would provide sewage treatment within that same area should the funding for the Horse Creek project not be available.

In addition, as part of SVA's on-going activities, the Authority is providing assistance to Abbeville County and Calhoun Falls in designing an appropriate water system that will meet current and projected needs and that can be financed without undue hardship.

Knowing that the availability of a reliable supply of treated water is valuable to development as opposed to just the selling of water, the SVA staff is attempting to formulate a plan and assemble the cooperation within Abbeville County that will provide real benefits for all the various parties involved. The objectives of the plan include the following features:

- (a) a continuing supply of potable water for the expanding needs of the entire Calhoun Falls area;
- (b) a new water plant constructed on a site near the water intake and meeting all DHEC requirements;
- (c) a water plant location that clears the path for new Town streets extending toward the Lake;
- (d) a system that reduces the possibility of the Town of Calhoun Falls going into serious long-term debt for water plant financing;
- (e) a system that allows the Abbeville County Council to take the first definitive steps toward fostering a cooperative County water system; and
- (f) water system rates throughout the entire area that are on an equitable and uniform basis as are any rates applicable outside the County.

SVA's activities also extend to providing financial assistance for water and sewer system upgrades and direct intercession with South Carolina Department of Health and Environmental Control (DHEC) as these systems are developed.



The Authority is a key member of the Savannah River Basin Technical Advisory Committee, established by the South Carolina Water Resources Commission. Related to that, SVA provides a major portion of the funding to allow the Water Resources Commission to develop a multi-objective river basin model designed to provide real-time management for the Savannah River Basin.

The Authority has currently joined forces with a number of local and regional organizations to attempt to establish a compatible Geographic Information System for the Region.

### SAVANNAH LAKES REGIONAL LOAN FUND

The SVA, in conjunction with the S. C. Jobs-Economic Development Authority (JEDA), created Savannah Lakes Regional Loan Fund (SLRLF). This loan fund is the result of creative negotiations with Cooper Communities, through which Cooper provided SVA with a one time contribution of \$1 million as an economic impact fee. This contribution enabled the Authority to create a flexible revolving loan fund, without the use of tax dollars or the necessity of new staff positions. The resulting loan fund fills a need that previously was not being met through other governmental loan programs and is flexible enough to meet the needs of businesses in the area. To date, the fund has provided business loans of \$300,000 that will leverage over \$1,330,000 of other investment and create over 45 jobs in the region.

### TECHNICAL ASSISTANCE

In addition to the Savannah Lakes Regional Loan Fund, the SVA staff is serving as key economic development contact for McCormick County and is coordinating efforts among various economic development groups throughout the Basin. SVA is the recipient of a \$20,000 federal grant, which will allow the Authority to provide the needed funding to two professors at Clemson University to help determine feasibility for secondary manufacturing of wood products in Abbeville and McCormick Counties. This is designed as a pilot project which would, naturally, affect the entire basin.

### PROMOTIONAL ACTIVITIES

The following is a summary of the major promotional activities of the SVA.

Progress - The Authority's periodic newsletter provides up-to-date information about all aspects of the SVA work program and other items of regional interest.

Encore - This quarterly calendar of events promotes the cultural activities in Abbeville, Anderson, Greenwood, and McCormick Counties and surrounding areas. SVA created Encore in the spring of 1988 to serve as a vehicle for individual organizations to promote their activities and facilities within a regional context. It has been recognized each year with an Addy award. The long-range



calendar from which each issue of Encore is derived also serves an information clearinghouse for groups planning other events.

**Promotional Grants** - SVA has made a portion of its promotional budget available to nonprofit organizations in the Region in the form of matching grants. Projects funded thus far include a booklet and brochure for a four-county heritage festival, a newspaper insert for a county arts council, a restoration plan for a nineteenth-century garden, and general promotions for a downtown revitalization organization. As part of the consultation process, SVA tries to locate primary funding sources for project applicants.

**Retirement** - Each year, SVA has placed an advertisement for the Region in South Carolina Mature Lifestyles, a publication of the South Carolina Retirement Communities Association, of which SVA is a charter member. One of the results of this activity was the production of a fulfillment kit, "Escape To The Land Of Unlimited Opportunity." About 2000 requests for information have been answered in the first three years of publication. The 1989 and 1990 ads won the Marketing Efficiency Award for the most leads generated.

**South Carolina's Freshwater Coast™** - The Authority developed this phrase to describe the western border of the State. The name and a logo have been trademarked. SVA and eight other organizations in the eight-county region formed the **Freshwater Coast™** Association to promote the recreational, residential, and economic development potential of the area. Each year, the Association hosts a reception for travel writers, tourism professionals, and key governmental officials at the Governor's Conference on Tourism and Travel.

1991 marked a change in the approach taken by the Association. Rather than attempting to operate as another agency, the Association became the **Freshwater Coast™** Alliance which emphasizes the coordination of advertising and promotions campaigns rather than individual events.

**Savannah River Scenic Highway** - Designated by the South Carolina General Assembly in 1986, the Scenic Highway extends 110 miles through McCormick, Abbeville, Anderson, and Oconee Counties. The SVA logo was modified to form the Scenic Highway logo, and SVA was asked to coordinate promotional activities of the route. A brochure was developed, a dedication took place in 1988, and general publicity has been generated. The **Freshwater Coast™** Alliance produced a poster-size map in 1991 that featured the scenic highway. The scenic highway will be a major focus in the development of the Lake Russell Project.



SAVANNAH VALLEY AUTHORITY  
FY 1990-91 GOALS, OBJECTIVES, AND ACCOMPLISHMENTS

The following listing identifies the eight (8) SVA goals, related programmatic objectives, and specific tasks that have been established for FY 1990-1991. They represent the key annual strategies required to help SVA achieve its long-term mission of economic development for the Savannah River Basin.

I. Savannah Lakes Village (SLV)

A. Oversee SLV construction in accordance with Intergovernment Loan Agreement and Design & Build Contract. SVA processed its second infrastructure loan to McCormick County for Savannah Lakes Village in December 1989-January 1990 after overseeing the progress and quality of the road, water, and sewer construction and monitoring the construction schedule. This is an on-going responsibility that will continue until approximately 1997.

B. Provide necessary planning and engineering assistance to facilitate construction at SLV. SVA served as the McCormick County representative in matters not specifically set forth in Design & Build Contract, such as erosion and sediment control activities and advised McCormick County Council on planning matters related to or likely to affect SLV.

C. Perform designated regulatory functions. SVA administered boat dock permit applications on Lake Thurmond, water withdrawal permit from Lake Thurmond for golf course irrigation.

D. Encourage Cooper Communities, Inc. (CCI) to promote SLV as a key feature of South Carolina's Freshwater Coast<sup>TM</sup>. Toward this end, SVA has selectively advertised the attractions of the Region, maintained association with S.C. Retirement Communities Association and Mature Lifestyles Magazine, maintained distribution of Land of Unlimited Opportunity brochures, and worked with CCI staff to promote the SLV jointly.

E. Facilitate the continuing orientation of CCI to South Carolina business and government. Because of the impact of SLV on the State and Regional economy, SVA has continued its briefings with SLV and CCI Headquarters personnel; created opportunities for contact between CCI personnel and State and local government officials; and encouraged new businesses at SLV to cooperate, rather than compete, with McCormick County Business League development and promotional efforts.

F. Assess the impact of SLV on the community and expand on the possibilities for economic development in McCormick County as a result of SLV activities. SVA has been integrally involved with PRT and S.C. Retirement Communities Association study and analysis of retirement



industry impacts. SVA also has undertaken an official review of the SLV tax model during this fiscal year.

## II. Lake Russell Project

A. Complete environmental analysis of designated Lake Russell Project properties. SVA, through its contract with Edward Pinckney/Associates, completed a detailed environmental analysis on the property, wildlife, and plant species that will be influenced by any proposed development at Lake Russell. As a part of the process, SVA established public involvement groups to provide advice concerning all aspects of the proposed project. Much of that effort involved coordination with the Georgia Lake Russell Authority. The final report is due in December 1991.

Additionally, SVA established the South Carolina Geographic Information System (GIS) as basis for environmental analysis at Lake Russell and related areas. This GIS is becoming the computer basis for any subsequent engineering and planning studies conducted for the Authority; and the Authority, along with Upper Savannah COG, has strongly urge all local governments to ensure that local studies, as well as short-range and long-range planning, are conducted in a way that is compatible with this system. As the studies are completed, SVA will share results with public, regulatory agencies, and environmental interest groups.

B. Continue purchase of designated private and corporate property at Lake Russell. SVA completed appraisals of individual parcels of all property designed to be part of the Lake Russell project and began negotiations with individual property owners. The first acquisition--850 acres of Crescent Resources property-- took place in the Fall 1990.

C. Effect leasehold transfer of Abbeville, Hester, and Manor recreation sites from PRT to SVA. SVA finalized the text of the proposed lease assignment with PRT; coordinated PRT's submission of final request to the U.S. Army Corps of Engineers (COE). In addition, it began work on establishing a maintenance program for the property. Because of delays at the COE, the leasehold transfer has not been completed; but SVA expects the process to be complete before the end of FY 90-91.

D. Initiate contacts with interested developers for Lake Russell Project. SVA has begun preliminary work establishing a file of developers potentially interested in Lake Russell Project and coordinated with the Budget and Control Board to develop an acceptable procedure for selecting a developer or developers. This will be an on-going activity until the COE land is secured under the leased transfer.

E. Develop closer working relationship between SVA and leading environmental and public interest groups. SVA has provided public



information about the proposed Lake Russell project throughout the project site analysis and through the State budget process. Much of this task was handled in conjunction with the environmental analysis and through the public involvement groups established as part of that process. A final public hearing will be conducted upon completion of the report.

F. Expand on existing conceptual plans for Lake Russell Project.

SVA prepared a description of acceptable but diversified types of development suitable to the location of the project site and incorporated that into the plans developed by Edward Pinckney/ Associates. The Fontaine Company analysis has substantiated that a mixed-use type of development will generate the best and most immediate positive economic benefits to the area.

G. Assist Calhoun Falls and Abbeville County in identifying and responding to potential impacts of Lake Russell development.

SVA staff continues to maintain a close working relationship with the Town of Calhoun Falls and the Upper Savannah Council of Governments to conduct preliminary planning for water, sewer, and development standards. SVA has funded an Abbeville County land use analysis that recommended development standards for the County and Calhoun Falls area. The Town adopted the plan, and the County is considering its adoption. SVA continues to play a major role in implementing the plan by funding a zoning administrator for the County and providing staff assistance to the Town committees recommended in the plan.

III. Economic Development

A. Manage Savannah Lakes Regional Loan Fund (SLRLF). SVA and JEDA devised a plan to invest the \$1 million loan fund in financial institutions in the Region and directly publicize the Loan Fund with local banks and businesses as well as through selected publications. Since the SLRLF was established in January 1990, the loan committee has reviewed numerous proposals for service and manufacturing businesses. Two loans for a total of \$300,000 have been made.

B. Create working Regional data base and retrieval system to support economic development efforts. SVA was to the point of helping to establish a Regional GIS, as described above, as the basis for all development and engineering studies. Working with the Upper Savannah COG, State Development Board, Water Resources Commission, USC, State Research and Statistics Office, and local governments, SVA participated in a Regional GIS evaluation. State funding cut-backs have forced the delay of this project; but work still continues in coordinating the actions of local governments in the region.

C. Be a more active force in promoting transportation improvements in the Region. SVA continued to serve on the Steering Committee of I-85/I-



20 Coalition and generated economic development data on the need for improved highway transportation in the Region. It helped coordinate county-wide acquisition of rights-of-way and develop plans for balancing industrial and traditional development highway needs with scenic and tourism needs, especially concerning the Savannah River Scenic Highway and other designated "trails."

D. Maintain focus on developing Regional water and sewer infrastructure. Providing support to Calhoun Falls for water system expansion; completing capital improvements analysis of water and sewer systems for Calhoun Falls, McCormick County, and McCormick CPW; providing staff assistance to Abbeville County in its efforts to establish a county-wide water system; continuing to provide staff and financial support to each of the counties along the proposed Horse Creek transmission line for planning and engineering; and maintaining direct staff support of McCormick County and Calhoun Falls in locating alternate sites for wastewater treatment plants have been the main focus of the SVA work program for economic development support. These efforts are on-going.

E. Be a more active force in promoting and assisting Regional timber industry. In an effort to create a better economic climate for the timber industry of the Basin, SVA entered into an agreement with Clemson University to undertake a market analysis for wood products manufacturing opportunities. SVA was awarded a \$20,000 grant from the U. S. Forest Service to be matched with funds from Clemson, SVA, McCormick County, and Abbeville County to support a 1-2 year study and related technical assistance to create manufacturing opportunities in the Basin. That study will be completed in December 1991.

F. Monitor and provide technical assistance to the Lowcountry Regional Industrial Park as is appropriate within the funding requirements established by the 1989 Appropriations Act and subsequent agreements between SVA and the Hampton County Industrial Development Commission. This project has been described previously, and its implementation will continue for years to come.

#### IV. Infrastructure Development

A. Increase development of water and sewer facilities. Providing support to Calhoun Falls for water system expansion; completing capital improvements analysis of water and sewer systems for Calhoun Falls, McCormick County, and McCormick CPW; providing staff assistance to Abbeville County in its efforts to establish a county-wide water system; continuing to provide staff and financial support to each of the counties along the proposed Horse Creek transmission line for planning and engineering; and maintaining direct staff support of McCormick County and Calhoun Falls in locating alternate sites for wastewater treatment



plants continue to be the main focus of the SVA work program for economic development support.

B. Ensure adequate municipal water supplies from Lakes Thurmond and Russell. SVA continued to be an active member of Savannah River Technical Advisory Committee and provided the majority of funding to the S. C. Water Resources Commission for the Savannah River Basin Management Model. In addition, SVA has requested from the COE, in conjunction with Water Resources Commission, water allocations in Lakes Thurmond and Russell. It also begun discussions with Bigelow-Sanford management to obtain pumping/storage rights to 2,000,000 gallons per day in domestic raw water for Calhoun Falls or Abbeville County future use.

#### V. Environmental Protection

A. Ensure proper management of water resources of Savannah River and lake chain. SVA continued to be an active member of the Savannah River Basin Technical Advisory Committee and provided the majority of funding to S. C. Water Resources Commission for the Savannah River Basin Management Model. It has ensured water quality testing for tributaries potentially affected by land disturbing activities or chemical use/discharges and continued active cooperation with the Soil and Water Conservation Districts in the Region.

B. Work with the S.C. General Assembly, S.C. Department of Wildlife and Marine Resources, and appropriate agencies in Georgia to establish consistent development standards for the Savannah River Basin. SVA formed the Savannah River Basin Alliance with the councils of governments and local governments bordering the Savannah River in both South Carolina and Georgia. This alliance of planning and regulatory agencies within the Basin is designed to create dialogue and agreement on acceptable and consistent protective and development standards. The alliance comprises four S. C. Councils of Governments, 4 Georgia Regional Development Centers, Clemson University, the University of Georgia, two lake organizations, and SVA. Efforts are underway to establish a series of conferences related to protecting and utilizing the Basin.

#### VI. Cultural Resources Development

A. Promote the Region as a desirable place to visit, live, and work.

Toward this objective, SVA constructed the following activities:

- \*Placed Regional advertisements in selected publications.
- \*Produced SVA general publications/brochures.
- \*Provided funding for Regional organizations to promote the Region.
- \*Placed editorial pieces in selected publications.
- \*Coordinated with PRT and regional tourism commissions in publicizing "South Carolina's **Freshwater Coast**<sup>TM</sup>".



\*Conducted promotional event at Governor's Conference on Travel and Tourism in February 1991.

\*Developed stronger relationships with PRT, Old 96 Tourism Commission, Pendleton District, and Discover Upcountry Carolina and engage in joint promotional activities through the **Freshwater Coast™**.

B. Enhance the chief attractions of the Region. SVA supported promotional and development efforts for Lake Secession through assistance with reclassification of Lake Secession. SVA continued to public Encore.

C. Consult with and provide advice to local governments and interest groups concerning historical preservation, downtown restoration, recreation development, archaeological requirements, and available funding. Through the work of the SVA staff, the Authority distributed information and provided technical assistance to local and Regional groups. It acted as a catalyst to alert grant-making and technical assistance agencies of unmet needs and provided direct support through its promotional grants program.

D. Integrate historic and archaeological preservation into land and infrastructure development projects of the Authority. SVA oversaw completion of these elements in construction at SLV and the analysis of these elements in environmental planning for the Lake Russell Project.

E. Continue to participate in statewide efforts. SVA staff members were encouraged to participate in related activities and served specifically on the following: Confederation of S.C. Local Historical Societies; Steering Committee for Statewide Preservation organization; National Trust for Historical Preservation; Columbus Quincentennial/DeSoto Commission; and Regional Humanities Council.

## VII. Administrative Improvements

A. Improve information flow to Board of Directors. SVA held two Board Retreats and attempted to ensure direct and meaningful Board-to-Staff contact with each Board member outside Board meetings at least quarterly. The Staff Activity Reports were refined as part of the agenda package.

B. Improve information flow to other interested parties. SVA greatly improved its communications by the following:

\*The staff activity report became part of the agenda package, thereby becoming part of the public record as additions to the minutes each month.

\*Published and distributed ENCORE each quarter.

\*Actively seek speaking engagements for staff in Region.

\*Issued written briefings for key members of General Assembly, key legislative committees, members of Congress, and key agencies.



C. Improve internal procedures and staff effectiveness. This was done by providing on-going staff proficiency training, conducting at least 2 staff retreats/internal training sessions, and providing work time for approved staff course work.

D. Improve agency recognition and contact with General Assembly and other agencies. This was accomplished by maintaining auxiliary work space at Capitol Complex where the Executive Director spent average of 4-6 workdays per month in Columbia. SVA invited selected state agency personnel and legislators to SVA Board meetings and functions on regular basis and scheduled joint Board meetings and retreats with appropriate agencies.

E. Create a stronger relationship to the counties both north and south of the Savannah Lakes area. SVA held meetings with members of the Legislative Delegation from the other counties in the SVA service area and initiated discussions to better define the SVA service area and the relationship between the agency and the economic development interests in that area. It also began work on a Board of Directors membership plan that was presented to the House Ways and Means Committee and Senate Finance Committee during the Fall 1990.



## SAVANNAH VALLEY AUTHORITY FUTURE ACTIVITIES

### I. ON-GOING ACTIVITIES

#### A. Savannah Lakes Village Project

SVA has on-going contractual responsibilities for overseeing the development of Savannah Lakes Village and will retain those responsibilities until approximately seven (7) more years. These are primarily linked to the on-site infrastructure development. Although not required by contract, SVA will continue to support projects related to off-site water and sewer services and the institution of adequate development standards.

#### B. Lake Russell Project

The Lake Russell Project described earlier is just beginning and will continue for at least another six (6) years and probably longer. SVA will be responsible for assembling the land, choosing the developer, and overseeing contractual obligations.

#### C. Infrastructure Development

This will continue to be a major focus for SVA. It is likely that the Authority will be called on to provide more direct funding for water and sewer projects as a catalyst for economic development.

#### D. Savannah Lakes Regional Loan Fund (SLRLF)

This project was seen as a long-term commitment from the beginning. It is anticipated that additional funds will be acquired for this or similar purposes. As additional funds are assembled, the service area will likely expand.

#### E. Publications & Promotions

The response to and benefit of the promotions and publication of the Authority have been obvious; therefore the program will continue and expand.

#### F. Lowcountry Regional Industrial Park (LCRIP)

SVA will be monitoring the progress of this multi-county park to determine if such a project can and should be replicated elsewhere in the Region.

#### G. Water Resources

SVA will play a greater role in water resources development as a result of implementing the Savannah Basin Management Model and in an effort to coordinate development activities in South Carolina and with Georgia through the Savannah River Basin Alliance.



## H. Cultural Resources

Efforts will be made to enhance the cultural resources of the Basin within the limited financial and manpower resources of SVA.

## II. New Activities

### A. Forest Products Analysis

This project scheduled to be completed by December 1991. The project includes: (1) an analysis of opportunities for wood products manufacturing in Abbeville and McCormick Counties, and (2) technical assistance to these and other counties in the Basin in an attempt to foster new businesses. The direct involvement of SVA staff members will increase the agency's capabilities to support the timber industry.

### B. Planning and Economic Development Initiative

SVA published and distributed a planning and economic development initiative for a portion of the Region in June 1990. The concept is to establish a demonstration project using the area of western Abbeville, Anderson, and McCormick Counties as a "Living Laboratory" with the opportunity to apply the planning and management resources of various agencies and organizations to the problems and opportunities of that area. It is envisioned that a wide array of agencies and organizations will have a significant role in the initiative because of their unique involvement with the area or with issues affecting the area. Essentially, the proposed project is research and development into how to save the most fragile part of South Carolina's cultural and political heritage -- its rural communities. To embark on the project presupposes that it is important to save these areas and that they have (or can find) a legitimate place in the 21st century. The problems that they face are real and varied; but are those problems ultimately insurmountable? The only real way to find the answer to that question is to examine it comprehensively and focus the significant resources of the State on representative locations. This project offers that opportunity.

Currently, SVA is attempting to promote this idea with major power companies and the Governor's Rural Development Council as a method of pursuing meaningful economic development in rural areas.

### C. Aiken County EBASCO Project

If a number of conditions solidify, SVA will be in a position to secure as many as six hundred jobs for the State and Aiken County. The jobs are those that will be created and relocated to the area as EBASCO Services, Inc., a major engineering sub-contractor for Westinghouse at the Savannah River Site, begins to gear up its design activities over the next year.



SVA's task will be to develop an office building for EBASCO. The bond bill passed during the 1991 special session of the S. C. General Assembly contained a provision for \$4.5 million for SVA to allow the initial construction of an approximately 100,000 square foot building somewhere in Aiken County to be leased to EBASCO.

Public financing for the building is necessary as private financing will not be available because EBASCO, as a result of its short initial contract with Westinghouse, could only sign a two-year lease with three one-year options. The choice is clear: either have the public sector play a role in the matter or allow EBASCO to seek existing office space in Augusta, Georgia. Because of the positive impacts EBASCO'S location in Aiken County would have on the State's economy, Governor Campbell approached SVA to be the State agency responsible for constructing the building. Governor Campbell and his staff championed this cause and supported the inclusion of the \$4.5 million in the bond bill for this purpose.

The passage of the bond bill and the Governor's recent direct request to the SVA Board of Directors to proceed with the project should clear the path. But path is no less formidable from this point forward than it has been over the last year and a half.

1. EBASCO cannot sign a lease until it has been given its staffing schedule (and, thus, its space requirements) by Westinghouse.
2. SVA cannot begin any serious design, much less any construction, until it has a lease with EBASCO.
3. The space needs dictate the amount of acreage needed.
4. The acreage dictates the final site selection.
5. The availability of utilities dictates the final site selection.
6. The protracted process has driven up land prices, thereby affecting site selection.
6. Since EBASCO has the option of setting up shop in existing space in Georgia, EBASCO will influence the final site selection.
7. Although SVA has a limited procurement exemption for this project, there will still be a great deal of lead time necessary before any construction is possible.
8. Winter, with its built-in constraints to construction, is upon us.
9. Westinghouse must now reevaluate its responsibilities and deliveries in light of the postponed decision regarding the location of a NPR facility. Hence, a clear understanding of real space needs and staffing schedule for EBASCO may take weeks -- or months -- to develop.

Nevertheless, the basic challenge remains unchanged, with South Carolina eager to attract 600 new residents to its side of the Savannah River. SVA is ready to perform such services as may be required of it. At the same time, SVA must be a good steward of State resources and must be fair to EBASCO by entering into a lease only if SVA is certain it can provide the building in a timely fashion. It still appears that EBASCO can be accommodated, but its needs may now have changed. SVA must have all the facts -- and a signed lease -- before undertaking the construction. Time will tell.



D. Clemson Center for Applied Technology (C. A. T.)

SVA will continue to provide funding for the C. A. T. for another three years, bringing the total participation to \$600,000, if the project continues as projected and if funds are available. In addition to funding, SVA will serve as a board member for the Center.

E. Geographic Information System

Based on need and contingent on the availability of funds, SVA will attempt to develop and implement its own GIS in conjunction with the efforts of other local and Regional organizations.

F. Administration of New SVA Board Structure

Based on requirements of the 1990 Appropriations Act, SVA presented a Board membership plan to the General Assembly by way of the House Ways and Means Committee and Senate Finance Committee. Although the plan was not acted upon in the 1991 session, it is anticipated that the General Assembly will amend the Authority's legislation related to Board membership in the 1992 session. This will require the Board and staff to react to the changes and alter traditional operating procedures accordingly. This will be a major adjustment and will undoubtedly occupy a great deal of Board and staff effort.

G. Savannah River Basin Alliance of South Carolina and Georgia

The Alliance described earlier in this Report began its activities in FY 1990-91. At this point, it is impossible to determine the direction this effort will take. It is anticipated, however, that it will develop into a positive force for the environmental preservation and economic development of the Basin in both states.



SAVANNAH VALLEY AUTHORITY  
DOCUMENTS, BROCHURES, & PROMOTIONS

1989-90 Annual Report

Encore (4 issues)

Progress (2 issues)

Savannah Lakes Village Development Summary

"Escape To The Land Of Unlimited Opportunity" advertisement and information packet

"Business Opportunities Along South Carolina's Freshwater Coast" brochure

Assorted news releases

Assorted position papers on lake management and water levels

Planning/Economic Development Initiative



## YEARLY EXPENDITURES AND BUDGET SUMMARY

	<u>ACTUAL</u> <u>1990-91</u>	<u>BUDGETED</u> <u>1991-92</u>
Personal Service -----	\$ 261,634.51	\$ 250,629.00
Contractual Services -----	492,050.94	331,382.00
Supplies -----	18,435.66	16,439.00
Fixed Charges -----	10,097.12	12,571.00
Travel -----	17,716.94	13,054.00
Equipment -----	8,061.64	9,670.00
Employer Contributions -----	56,599.59	55,343.00
Allocations-----	4,500.00	19,340.00
Lights, Power, Fuel -----	3,844.47	3,868.00
Transportation -----	2,636.81	2,417.00
Special Items-----	.00	868,900.00
Capital Improvements -----	1,182,689.53	2,163,280.43
Insurance Reserve Note	3,247,156.12	3,697,094.00
Federal Funds-----	8,795.94	11,204.06
<b>TOTAL OPERATING FUNDS</b>	<b>\$5,314,219.27</b>	<b>\$7,455,191.49</b>
Operating Revenue:		
RB Russell Master Plan	.00	116,000.00
Other (undesignated)	.00	160,489.62
<b>Total Operating Revenue</b>		<b>\$276,489.62</b>



## SAVANNAH VALLEY AUTHORITY LEGISLATIVE HISTORY

The Authority has its roots in a state agency formed in 1945 to deal with the impacts of the construction of Thurmond Lake (then the Clarks Hill Lake). Soon after construction was completed, the original organization became inactive and remained dormant until the early 1970s. In 1971 at the urging of local leaders, the South Carolina General Assembly enacted legislation which reactivated and reorganized the then - Clarks Hill Authority (there was no Lake Russell at that time). The legislation empowered the Authority "to encourage, assist, promote and cooperate in the development" of the South Carolina segment of the Thurmond Lake area. In order to ensure that those citizens living in the area were properly represented, the legislation required that two of the five board members be residents of McCormick County.

In June 1978, the South Carolina Code was amended to change the name to the Clarks Hill-Russell Authority, add two additional members to the Board of Directors from Abbeville County, and give the Authority responsibilities for the development of the Richard B. Russell project.

In May 1985, the South Carolina Code was again amended to add one Board member from Anderson County, bringing the number on the Board of Directors to eight. That amendment also gave the Authority increased responsibilities and resources for overall economic development in the Savannah River Basin of South Carolina.

In 1988, the Code was amended to encompass a broader geographic area, expand the powers of the Authority, and change the name to the Savannah Valley Authority. Then, in 1989, legislation was passed giving the Authority the power of eminent domain in Abbeville and McCormick Counties.

Based on a proviso in the 1990-91 Appropriations Bill, the Savannah Valley Authority will present a Board membership plan to the House Ways and Means Committee and the Senate Finance Committee by October 15, 1990. It is anticipated that the General Assembly will amend the Authority's legislation during 1991 to expand the Board size and structure to reflect the extent of SVA's area of responsibility.

The Authority is currently operating under that code, Chapter 9 of Title 13 as amended, the text of which is included in this Annual Report. Overall, the Authority's legislation has been amended nine times since 1971:

- |          |          |
|----------|----------|
| (1) 1973 | (6) 1984 |
| (2) 1977 | (7) 1985 |
| (3) 1978 | (8) 1988 |
| (4) 1979 | (9) 1989 |
| (5) 1983 |          |



SAVANNAH VALLEY AUTHORITY STATUTORY AUTHORITY

AN ACT TO AMEND CHAPTER 9 OF TITLE 13, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE CLARKS HILL AUTHORITY, SO AS TO INCREASE THE NUMBER OF THE MEMBERS OF THE AUTHORITY'S BOARD, TO REQUIRE AT LEAST ONE OF THE MEMBERS TO BE A RESIDENT OF ANDERSON COUNTY RECOMMENDED BY THE COUNTY'S LEGISLATIVE DELEGATION, TO PROVIDE FOR REMOVAL OF MEMBERS, TO PROVIDE FOR A QUORUM OF MEMBERS, AND TO PROVIDE FOR POWERS OF THE BOARD; AND TO AMEND ACT 1, OF 1983, RELATING TO THE CLARKS HILL-RUSSELL AUTHORITY, SO AS TO DESIGNATE SECTIONS OF THE ACT AS SECTIONS OF THE CODE, TO DETAIL THE PROJECTS FOR WHICH THE AUTHORITY MAY ISSUE REVENUE BONDS, TO AUTHORIZE THE AUTHORITY TO ENTER INTO FINANCING AGREEMENTS RELATING TO PROJECTS, TO REVISE THE PROVISIONS WHICH MAY BE CONTAINED IN RESOLUTIONS BY THE AUTHORITY'S BOARD WHICH AUTHORIZE REVENUE BONDS AND WHICH ARE A PART OF THE CONTRACT BETWEEN THE AUTHORITY AND HOLDERS OF THE BONDS, TO PROVIDE FOR THE INTEREST RATES ON THE BONDS, TO EXEMPT FROM TAXATION THE PRINCIPAL OF AND INTEREST ON THE BONDS AND ALL SECURITY AGREEMENTS, INDENTURES, AND FINANCING AGREEMENTS, TO PROVIDE THE REQUIREMENTS FOR THE ISSUANCE OF BONDS, TO PROVIDE THE RESPONSIBILITIES AND OBLIGATIONS OF THE AUTHORITY AND THE STATE RELATING TO THE ISSUANCE OF BONDS, TO PROVIDE FOR THE NET EARNINGS AND THE UNEXPENDED FUNDS OF THE AUTHORITY, TO ESTABLISH DETERMINATIONS WHICH MUST BE MADE BY THE AUTHORITY'S BOARD BEFORE PROJECTS MAY BE UNDERTAKEN, TO PROVIDE FOR THE OBLIGATIONS OF THE AUTHORITY AND ANY COMPANY WITH WHICH THE AUTHORITY HAS A FINANCING AGREEMENT, TO PROVIDE FOR THE APPLICATION OF THE PROCEEDS, PREMIUMS, AND ACCRUED INTEREST FROM THE SALE OF BONDS, AND TO DETAIL THE COST OF ACQUIRING ANY PROJECT.

Be it enacted by the General Assembly of the State of South Carolina:

**Clarks Hill-Russell Authority**

**Section 1.** Chapter 9 of Title 13 of the 1976 Code is amended to read:

**"CHAPTER 9"**

**Clarks Hill-Russell Authority**

**Section 13-9-10.** There is created the Clarks Hill-Russell Authority of South Carolina, referred to in this chapter as the 'authority'. The governing body of the

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authority consists of an eight member board appointed by the Governor for terms of four years and until successors are appointed and qualify.

At least two of the appointed members must be residents of McCormick County recommended by the legislative delegation of that county.

At least two of the appointed members must be residents of Abbeville County recommended by the legislative delegation of that county.

At least one of the appointed members must be a resident of Anderson County recommended by the legislative delegation of that county.

Vacancies on the board for any reason must be filled for the unexpired term in the manner of original appointment. Members may be removed by the Governor for cause or at will.

**Section 13-9-20.** The members of the board shall elect one member as chairman and one as vice-chairman and shall also elect a secretary. The board shall meet upon the call of its chairman, and four members constitute a quorum for the transaction of its business.

**Section 13-9-30.** The board of the authority has the power to manage the business and affairs of the authority and to take action as it may consider advisable, necessary, or convenient in carrying out its powers. The powers of the board include the following:

- (a) to have perpetual succession;
- (b) to sue and be sued;
- (c) to adopt, use, and alter a seal;
- (d) to make and amend bylaws for regulation of its affairs consistent with the provisions of this chapter;
- (e) to acquire, purchase, hold, use, improve, lease, mortgage, pledge, sell, transfer, and dispose of any property, real, personal, or mixed, or any interest in any property, or revenues of the authority as security for notes, bonds, evidences of indebtedness, or other obligations of the authority. The authority has no power to pledge the credit and the taxing power of the State or any of its political subdivisions;
- (f) to receive contributions, donations, and payments and to invest and disperse the authority's funds;
- (g) to make inquiry into the status of, and plans for, the development of the Clarks Hill-Russell project and the Richard B. Russell project by the United States Government, by the State of Georgia, or by any other agency or instrumentality;
- (h) To encourage, assist, promote, and cooperate in the development of the Savannah River and the streams, canals, or watercourses now or at a later time connected to or flowing into the river and to appear on behalf of the State before any agency, department, or commission of this State, of the United States, or of any other state in furtherance of the development or of any matter connected with the development or related to the development;
- (i) to negotiate agreements, accords, or compacts on behalf of and in the name of the State with the State of Georgia or the United States, or both, with any agency, department, or commission of either or both, or with any other state or any agency, department, or commission of the other state, relating to the development of the Savannah River and the development of the streams, canals, or watercourses now or at a later time connected to or flowing into the river, and particularly in reference to joint or concurrent action in the furtherance



of agreements, accords, or contracts. Interstate compacts made by the authority are subject to approval by concurrent resolution of the General Assembly;

(j) to act as the designated agency of the State to receive, purchase, hold title to, and to manage any real property in the Clarks Hill Reservoir project area, in the Richard B. Russell Reservoir project area, and of the Savannah River basin, including its tributaries, streams, canals, and watercourses now or at a later time connected to or flowing into the river, in the State acquired by release of surplus real property, by purchase, by lease, or by exchange and to develop and promote the development of the land for recreational, transportation, residential, commercial, and industrial purposes, both public and private, and to lease, sublease, or convey title in fee simple to the real property subject to approval by the State Budget and Control Board.

The authority may retain, carry forward, and expend any proceeds derived from the sale, lease, rental, or other use of real and personal property under the authority's exclusive jurisdiction. The proceeds may only be used in the development and the promotion of the authority as provided by this chapter and for the purposes authorized by this chapter;

(k) to promulgate regulations affecting the use, management, and control of real property acquired pursuant to item (j) of this section;

(l) to borrow money, make and issue notes, bonds, and other evidences of indebtedness, including refunding and advanced refunding notes and bonds, of the authority; to secure the payment of the obligations or any part by mortgage, lien, pledge, or deed of trust, on any of its property, contracts, franchises, or revenues, including the proceeds of any refunding and advanced refunding notes, bonds, and other evidences of indebtedness and the investments in which proceeds are invested and the earnings on and income from the investments; to invest its monies, including without limitation its revenues and proceeds of the notes, bonds, or other evidences of indebtedness, in obligations of, or obligations the principal of and interest on which are guaranteed by or are fully secured by contracts with, the United States, in obligations of any agency, instrumentality, or corporation which has been or may at a later time be created by or pursuant to an act of the United States Congress as an agency, instrumentality, or corporation, in direct and general obligations of this State, and in certificates of deposit issued by any bank, trust company, or national banking association; to make agreements with the purchasers or holders of the notes, bonds, or other evidences of indebtedness or with others in connection with any notes, bonds or other evidences of indebtedness, whether issued or to be issued, as the authority considers advisable; and to provide for the security for the notes, bonds, or other evidences of indebtedness and the rights of the holders of the notes, bonds, or other evidences of indebtedness.

In the exercise of the powers granted in this section to issue advanced refunding notes, bonds, or other evidences of indebtedness the authority may, but is not required to, avail itself of or comply with any of the provisions of Chapter 21 of Title 11. The authority, when investing in certificates of deposit, shall invest in certificates of deposit issued by institutions authorized to do business in this State if the institutions offer terms which, in the opinion of the authority, are equal to or better than those offered by other institutions;



(m) to loan the proceeds of notes, bonds, or other evidences of indebtedness to a person, corporation, or partnership to construct, acquire, improve, or expand the projects described in Section 13-9-40;

(n) to make contracts, including service contracts with a person, corporation, or partnership, to provide the services provided in Section 13-9-40, and to execute all instruments necessary or convenient for the carrying out of business."

### **Authority may issue bonds**

**Section 2.** Sections 2 through 11 of Act 1 of 1983 are designated as and are amended to read:

**Section 13-9-40.** The authority may issue revenue bonds for the purpose of financing or refinancing, in whole or in part, the cost of the following projects;

- (a) purchasing real estate;
- (b) constructing, reconstructing, or improving roads, bridges, culverts, or other transportation facilities;
- (c) constructing, reconstructing, improving, or equipping water distribution systems, sewer treatment and distribution facilities, buildings, or environmental utilities;
- (d) constructing, reconstructing, and improving recreational facilities, including but not limited to marinas, docks, swimming pools, parks, dams, ponds, golf courses, racquetball and tennis facilities, and equestrian and archery complexes.

In connection with the issuance of bonds, the authority may enter into an agreement with a company to construct, operate, maintain, and improve a project, and the authority may enter into a financing agreement with the company prescribing the terms and conditions of the payments to be made by the company to the authority, or its assignee, to meet the payments that become due on the bonds.

**Section 13-9-50.** Revenue bonds issued under this chapter for any project described in Section 13-9-40 must be authorized by resolution of the board of the authority. The resolution may contain provisions which are a part of the contract between the authority and the several holders of the bonds as to:

- (a) the custody, security, use, expenditure, or application of the proceeds of the bonds;
- (b) the acquisition, construction, and completion of any project for which the bonds are issued;
- (c) the use, regulation, operation, maintenance, insurance, or disposition of the project for which the bonds are issued, or any restrictions on the exercise of the powers of the board to dispose of or limit or regulate the use of the project;
- (d) the payment of the principal of or interest on the bonds and the sources and methods of payment, the rank or priority of any bonds as to any lien or security, or the acceleration of the maturity of any bonds;
- (e) the use and disposition of the revenues derived from the operation of any project;
- (f) the pledging, setting aside, depositing, or entrusting of the revenues from which the bonds are made payable to secure the payment of the principal of



and interest on the bonds or the payment of expenses of operation and maintenance of the project;

(g) the setting aside of revenues, reserves, or sinking funds and the source, custody, security, regulation, and disposition of the revenues, reserves, or sinking funds;

(h) the determination of the definition of revenues or of the expenses of operation and maintenance of the project for which the bonds are issued;

(i) the rentals, fees, or other charges derived from the use of the project and the fixing, establishing, collection, and enforcement of the rentals, fees, or other charges, the amount or amounts of revenues to be produced by the rentals, fees, or other charges, and the disposition and application of the amounts charged or collected;

(j) limitations on the issuance of additional bonds or any other obligations or the incurrence of indebtedness payable from the same revenues from which the bonds are payable;

(k) rules to insure the use of the project by the public or private sector to the maximum extent to which the project is capable of serving the public or private sector;

(l) any other matter or course of conduct which, by recital in the resolution authorizing the bonds, is declared to further secure the payment of the principal of or interest on the bonds.

**Section 13-9-60.** The bonds may be issued in one or more series, may bear a date, may mature at a time not exceeding forty years from their respective dates, may bear interest at the rate or rates per annum as approved by the State Budget and Control Board, may be payable in the medium of payment and at a place, may be in a denomination, may be in a form, either coupon or registered, may carry registration privileges, may be subject to terms of redemption before maturity, with or without premium, and may contain terms, covenants, and conditions as the resolution authorizing the issuance of the bonds may provide. The interest rate on bonds issued by the authority, the proceeds of which are loaned to a company pursuant to a financing agreement to construct or acquire a project authorized under Section 13-9-40, are not subject to approval by the State Budget and Control Board. The bonds are fully negotiable within the meaning of and for the purposes of the Uniform Commercial Code.

**Section 13-9-70.** The principal of and interest on bonds issued under this chapter are exempt from taxation, as provided in Section 12-1-60. All security agreements, indentures, and financing agreements made pursuant to the provisions of this chapter are exempt from state stamp and transfer taxes.

**Section 13-9-80.** No bonds may be issued pursuant to the provisions of this chapter until the proposal of the board of the authority to issue the bonds receives the approval of the State Budget and Control Board. When the board proposes to issue bonds, it shall file a proposal with the Budget and Control Board setting forth;

(a) a brief description of the project proposed to be undertaken and its anticipated effect upon the economy of the area in which the project is to be located;

(b) a reasonable estimate of the cost of the project;



(c) a general summary of the terms and conditions of any financing agreement and security agreement.

Upon the filing of the proposal the Budget and Control Board shall, as soon as practicable, make an independent investigation, as it considers necessary or appropriate, and if it finds that the project is intended to promote the purposes of this chapter, it may approve the project. At any time following the approval, the board may proceed with the acquisition and financing of the project. If the proceeds of the bonds are to be made available to a company to construct a project, as provide in Section 13-9-40, notice of the approval of any project by the Budget and Control Board must be published at least once by the authority in a newspaper having general circulation in the county where the project is to be located.

Any interested party may, within twenty days after the date of the publication of notice, but not after the twenty days, challenge the validity of the approval in the court of common pleas in the county where the project is to be located.

**Section 13-9-90.** The bonds must be signed in the name of the board of the authority by the manual or facsimile signature of the chairman of the board and attested with the manual or facsimile signature of the secretary of the board. Interest coupons attached to the bonds must be signed by the facsimile signatures of the officers. The bonds may be issued notwithstanding that any of the officials signing them or whose facsimile signatures appear on the bonds or the coupons have ceased to hold office at the time of issue or at the time of the delivery of the bonds to the purchaser.

**Section 13-9-100.** The bonds must be sold at public or private sale upon terms and conditions as the State Budget and Control Board considers advisable.

**Section 13-9-110.** The board of the authority or its proper administrative officers shall file with the State Treasurer within thirty days from the date of their issuance a complete description of all obligations entered into by the board with the rates of interest, maturity dates, annual payments, and all pertinent data.

**Section 13-9-120.** All provisions of a resolution authorizing the issuance of the bonds in accordance with this chapter and any covenants and agreements constitute legally binding contracts between the authority and the several holders of the bonds, regardless of the time of issuance of the bonds, and are enforceable by any holder by mandamus or other appropriate action, suit, or proceeding at law or in equity in any court of competent jurisdiction.

**Section 13-9-130.** The bonds authorized by the chapter are limited obligations of the authority. The principal and interest are payable solely out of the revenues derived by the authority, including any revenues that may be derived by the authority pursuant to the financing agreement with respect to the projects which the bonds are issued to finance. The bonds are an indebtedness payable solely from a revenue producing source or from a special source which does not include revenues from any tax or license. The bonds do not constitute nor give rise to a pecuniary liability of the authority, the State, or any political subdivision of the State, or to a charge against the general credit of the authority, the State, or any political subdivision of the State or taxing powers of the State, or any political subdivision of the State, and this fact must be plainly stated on the face of each bond. The principal of and interest on any bonds issued under this chapter must be secured by a pledge of the revenues



from which the bonds are payable, may be secured by a security agreement, including a mortgage or any property given as security pursuant to a financing agreement, and may be additionally secured by a pledge of the financing agreement with respect to the project. In making any agreements or provisions, the board of the authority does not have the power to obligate itself with respect to any project for which the proceeds of bonds issued under this chapter have been loaned to a company, except with respect to the project and the application of the revenues from the financing agreement, and does not have the power to incur a pecuniary liability or a charge upon its general credit.

The trustee under any security agreement or indenture, or any depository specified by the security agreement or indenture, may be any person, or corporation as the authority designates, notwithstanding that the trustee may be a nonresident of this State or incorporated under the laws of the United States or the laws of other states.

**Section 13-9-140.** The net earnings of the authority, beyond that necessary for retirement of its bonds or other obligations or to implement the purposes of this chapter, may not inure to the benefit of any person other than the authority. Upon termination of the existence of the authority, title to all property, real and personal, owned by it, including net earnings, vests in the State.

**Section 13-9-150.** The authority may retain any unexpended funds at the close of the fiscal year of the State regardless of the source of the funds and expend the funds in subsequent fiscal years.

**Section 13-9-160. A.** Prior to undertaking any project authorized by Section 13-9-40, the board of the authority shall make a determination:

- (1) that the project will serve the purposes of this chapter;
- (2) that the project is anticipated to benefit the general public welfare of the locality by providing services, employment, recreation, or other public benefits not otherwise provided locally;
- (3) that the project will give rise to no pecuniary liability of the authority, the State, or any political subdivision of the State, or charge against the general credit of the authority, the State, or any political subdivision of the State, or taxing power of the State or any political subdivision of the State if the proceeds are loaned by the authority to a company to construct a project;
- (4) as to the amount of bonds required to finance the project;
- (5) as to the amount necessary in each year to pay the principal of and the interest on the bonds proposed to be issued to finance the project;
- (6) as to the amount necessary to be paid each year into any reserve funds which the board may consider advisable to establish in connection with the retirement of the proposed bonds and the maintenance of the project.

The determinations of the board must be set forth in the proceedings under which the proposed bonds are to be issued.

**B.** Every financing agreement between the authority and a company with respect to a project shall contain an agreement obligating the company to complete the project if the proceeds of the bonds prove insufficient, and obligating the company to pay an amount under the terms of a financing agreement, which, upon the basis of the determinations made by the board, is sufficient:

- (1) to pay the principal of and interest on the bonds issued to finance the project;



(2) to build up and maintain any reserves considered by the board to be advisable in connection with the project;

(3) to pay the costs of maintaining the project in good repair and keeping it properly insured, unless the financing agreement obligates the company to pay for the maintenance and insurance of the project.

**Section 13-9-170.** The proceeds from the sale of any bonds issued under authority of this chapter may be applied only for the purpose for which the bonds were issued, except any premium and accrued interest received in any sale must be applied to the payment of the principal of or the interest on the bonds sold, and if for any reason any portion of the proceeds are not needed for the purpose for which the bonds were issued, that portion of the proceeds must be applied to the payment of the principal of or the interest on the bonds.

The cost of acquiring any project includes the following:

(a) the actual cost of the construction of any part of a project, including architects', engineers', and attorneys' fees;

(b) the purchase price of any part of any project that may be acquired by purchase;

(c) all expenses in connection with the authorization, sale, and issuance of the bonds to finance the acquisition;

(d) the interest on the bonds for a reasonable time prior to construction and for not exceeding one year after completion of the construction.

#### **Time effective**

**Section 3.** This act shall take effect upon approval by the Governor.



